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(202) 833-4422

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RICHARD S. BECKER PAUL G. MADISON

OF COUNSEL JAMES S. FINERFROCK

CONSULTING ENGINEER SIAMAK HARANDI

July 11, 1994 RECEIVED

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PEDELAT OCCUMENCO COM COMPRESSON OFFICE CA SECTIONATIVE

William Caton, Acting Secretary Federal Communications Commission Washington, DC 20554

Re:

In the Matter of Implementation of Sections 3(n) and 332 of Communications Regulatory Treatment of Mobile Services

GN Docket No. 93-252

Dear Mr. Caton:

Transmitted herewith on behalf of American Radio, Professional Communications, Mobile Phones Of Cordelle/Net Link Communications, Range Telecommunications, Leischner Electric, Southern Minnesota Communications, B & M Communications, Le Flore Communications, Advanced Communications Services, Inc., Mobile Phone Of Texas, and Communications Works ("Joint Commenters") is an original and four (4) copies of their "Reply Comments" with regard to the abovereferenced proceeding.

Should you have any questions with respect to this matter, please communicate directly with this office.

Respectfully submitted,

Richard S. Bécker

Attorney for Joint Commenters

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**Enclosures** 

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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In the Matter of	)			FEDERAL COMMUNICATES OFFICE OF SECRETARY
Implementation of Sections 3(n) and 332 of the Communications Act	) GN ) )	Docket	No.	93-252
Regulatory Treatment of Mobile Services	)			

#### REPLY COMMENTS

Respectfully submitted,

AMERICAN RADIO
PROFESSIONAL COMMUNICATIONS
MOBILE PHONES OF CORDELE/NET
LINK COMMUNICATIONS
RANGE TELECOMMUNICATIONS
LEISCHNER ELECTRIC
SOUTHERN MINNESOTA
COMMUNICATIONS
B & M COMMUNICATIONS
LE FLORE COMMUNICATIONS
ADVANCED COMMUNICATIONS
SERVICES, INC.
MOBILE PHONE OF TEXAS
COMMUNICATIONS WORKS

Richard S. Becker
James S. Finerfrock
Paul G. Madison
Becker & Madison, Chartered
1915 Eye Street, N.W.; 8th Floor
Washington, DC 20006
(202) 833-4422

Its Attorneys

Date: July 11, 1994

To:

The Commission

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List A B C D E

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#### SUMMARY

Eleven individual SMR operators in various areas of the country (the "Joint Commenters") jointly submit these Reply Comments with respect to the <u>Further Notice Of Proposed Rulemaking</u> ("FNPRM") issued by the Commission in the above-captioned proceeding. Joint Commenters vigorously oppose the proposal set forth in the Comments filed by Nextel Communications, Inc. ("Nextel") in this proceeding, by which Nextel proposed that the Commission "clear a 10 MHz block of contiguous SMR spectrum for exclusive ESMR use within geographically-defined licensing areas and permit ESMR licensees to 'retune' traditional 'non-ESMR' cochannel SMR systems to operate on other 800 MHz private radio frequencies."

Nextel's proposal constitutes nothing more than a blatant frequency grab designed to implement Nextel's goal of becoming a monopoly Specialized Mobile Radio ("SMR") carrier and a third cellular licensee. Nextel's proposal must be rejected for the following reasons: (1) it is contrary to the Congressional mandate set forth in Sections 3(n) and 332(c) of the Communications Act of 1934, as amended by Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993 (the "Budget Act"); (2) it is outside the scope of the rulemaking proceeding as specified in the FNPRM; (3) it serves only Nextel's monopolistic self-interest to the detriment of both the public interest and the rights and interests of traditional SMR operators who continue to make up an extremely large and important sector of the mobile communications industry; and (4) there are other more appropriate means of allowing Nextel and other existing and prospective ESMR carriers to provide service to the public.

It must first be emphasized that SMR services, even those that Nextel characterizes as ESMR that would be subject to Commercial Mobile Radio Service ("CMRS") regulation, are not "substantially similar" to the cellular service that Nextel hopes to emulate. Even if found to be "substantially similar," the Budget Act only requires that the Commission modify its rules to the extent "necessary and practical" to ensure that such services are subject "comparable" technical requirements. Nextel's frequency reallocation proposal specified in the Nextel Comments goes far beyond the regulatory revisions necessary to achieve regulatory symmetry as mandated by the Budget Act. Even if the Commission believes that certain rule modifications are necessary to achieve regulatory symmetry between ESMR services and cellular services, other available alternatives include: (1) maintaining the current regulations that have allowed Nextel to establish ESMR monopolies in major metropolitan areas across the country without the need for significant rule changes, waivers or frequency reallocations; (2) the Commission's existing Enhanced Mobile Service Provider ("EMSP") proposals; (3) wide-area SMR at 900 MHz; (4) ESMR can be provided on broadband PCS spectrum now being auctioned by the Commission;

and (5) accommodate ESMR operations on part of the 50 MHz of spectrum now being transferred from the federal government to private use.

Nextel's proposal to completely revise the existing SMR frequency allocation scheme and to require that a significant portion of the SMR industry disrupt their operations and relocate to other channels is also outside the scope of the <u>FNPRM</u>. At no point in the <u>FNPRM</u> did the Commission give specific notice to existing licensees of 800 MHz frequencies that they could be forced to disrupt their existing operations and change to alternate frequencies. This proposal was set forth for the first time by Nextel in the Nextel Comments -- not by the Commission in the <u>FNPRM</u>. Accordingly, without further notice and opportunity for public comment, the Commission is legally prohibited from adopting the Nextel proposal.

Nextel's proposal will also substantially damage existing SMR licensees and disrupt existing service. Existing licensees would be forced to incur extraordinary costs, including cash outlays and expenditure of additional resources. Existing service would be significantly disrupted. Reallocation of the 861-865 MHz (and 816-821 MHz) frequency bands would also further restrict the ability of non-wide-area SMR operators to expand existing systems. Further, neither Nextel nor any other ESMR operator specified the costs and damages that will result from its scheme or agreed to meet those costs.

Perhaps most importantly, even though Nextel has recently garnered the lion's share of publicity and attention on Wall Street, Nextel is not representative of the entire SMR industry. Rather, it is the smaller, independent SMR entrepreneurs that have built the SMR industry into the successful mobile communications service alternative that it is today. The SMR service offered by these carriers provides a vital alternative for communications users to obtain cheap, efficient and extremely cost-effective mobile communications on a local level. Moreover, traditional SMR's are best suited technically and most economically able to offer service on a local basis, where the majority of service is still required by consumers. Some SMR operators have also been able to structure relationships with other licensees to establish wide-area networks to allow for wide-area SMR service without the need for extensive Commission frequency reallocations and without having to charge the substantial premiums that Nextel and other ESMR providers must impose to support their extravagant systems. Accordingly, despite an infatuation with Nextel, the Commission cannot lose sight of the vital part that traditional SMR systems play in the communications marketplace. The Commission must take steps to foster a wide variety of service offerings for the public and the Commission must recognize that traditional SMR licensees offer one type of service that cannot be destroyed by Nextel in its attempt to grab spectrum to further its own monopolistic goals.

## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)			
Implementation of Sections 3(n) and 332 of the Communications Act	GN )	Docket	No.	93-252
Regulatory Treatment of Mobile Services				

To: The Commission

#### REPLY COMMENTS

American Radio, Professional Communications, Mobile Phones Of Cordelle/Net Link Communications, Range Telecommunications, Leischner Electric, Southern Minnesota Communications, B & M Communications, Le Flore Communications, Advanced Communications Services, Inc., Mobile Phone Of Texas, and Communications Works (collectively the "Joint Commenters"), by their attorneys and pursuant to Section 1.415(c) of the Commission's Rules, hereby submit these Reply Comments with respect to the Further Notice Of Proposed Rulemaking ("FNPRM") issued by the Commission in the above-captioned proceeding. Specifically, Joint Commenters hereby vigorously oppose the proposal set forth in the Comments filed by Nextel Communications, Inc. ("Nextel") on June 20, 1994, in the

<sup>&</sup>lt;sup>1</sup>47 C.F.R. §1.415(c).

<sup>&</sup>lt;sup>2</sup>Further Notice Of Proposed Rulemaking, GN Docket No. 93-252, FCC 94-100 (released May 20, 1994).

above-captioned proceeding. In the Nextel Comments, Nextel proposed that the Commission "clear a 10 MHz block of contiguous SMR spectrum for exclusive ESMR use within geographically-defined licensing areas and permit ESMR licensees to 'retune' traditional 'non-ESMR' co-channel SMR systems to operate on other 800 MHz private radio frequencies."4 As demonstrated herein, Nextel's proposal constitutes nothing more than a blatant frequency grab designed to implement Nextel's goal of becoming a monopoly Specialized Mobile Radio ("SMR") carrier. Nextel's proposal must be rejected for the following reasons: (1) it is contrary to the Congressional mandate set forth in Sections 3(n) and 332(c) of the Communications Act of 1934 (the "Act"), as amended by Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993 (the "Budget Act"); (2) it is outside the scope of the rulemaking proceeding as specified in the FNPRM; (3) it serves only Nextel's monopolistic self-interest to the detriment of both the public interest and the rights and interests of traditional SMR operators who continue to make up an extremely large and important sector of the mobile communications industry; and (4) there are other more

These comments will be referred to hereinafter as the "Nextel Comments."

<sup>&</sup>lt;sup>4</sup>E.g., Nextel Comments, p.4. It should be noted that Nextel defined the term "ESMR" to "refer to mobile communications systems licensed on SMR or other private radio frequencies employing digital technology in a wide-area multiple base station configuration and providing high capacity mobile telephone services competitive with cellular communications systems." <u>Id.</u> at n.11.

<sup>&</sup>lt;sup>5</sup>Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, Title VI, §6002(b), 1078 Stat. 312, 392 (1993).

appropriate means of allowing Nextel and other existing and prospective ESMR carriers to provide service to the public.

#### I. The Interest Of Joint Commenters

- 1. Joint Commenters are eleven (11) individual operators of SMR systems in various areas of the country. Each of the Joint Commenters is an independent SMR operator licensed for and operating SMR systems in their respective areas. The typical Joint Commenter is a relatively small business entrepreneur with decades of experience in providing a low cost communications alternative to the cellular, ESMR and local exchange giants that have recently been able to dominate the communications marketplace.
- 2. As such, Joint Commenters have a vital interest in the outcome of the rulemaking proceeding initiated by the <u>FNPRM</u>. Although the Commission has already taken extraordinary steps to afford Nextel special treatment to allow Nextel to establish its SMR monopolies in some of the largest markets in the country, the Commission must now recognize that Nextel has itself become a monopolist bent on wiping out competition and reaping for itself the benefits that flow from Nextel's favored position. Accordingly, the Commission must reject Nextel's SMR frequency reallocation proposal set forth in the Nextel Comments.

#### II. Mextel's Proposal Is Contrary To Sections 3(n) And 332 Of The Act

3. In its <u>Second Report and Order</u> in the above-captioned proceeding, 6 the Commission established a comprehensive regulatory

<sup>&</sup>lt;sup>6</sup>Second Report And Order, 9 FCC Rcd 1411 (1994), erratum, Mimeo No. 92486 (released March 30, 1994) ("Second R&O").

structure for mobile communications services, including a new category of mobile communications service providers, "Commercial Mobile Radio Service" ("CMRS"). Among other changes, the Commission determined that licensees currently providing specified services under Part 90 of the Commission's Rules, including SMR service, would be reclassified as CMRS if such licensees offer forprofit, interconnected service to the public or a substantial portion of the public. As a result, SMR licensees such as Nextel will be reclassified as CMRS licensees and will be subject to full CMRS regulation at the end of a transition period terminating on August 10, 1996.

4. Pursuant to Section 6002(d)(3)(B) of the Budget Act, Congress also amended Section 332 of the Act to provide that the Commission:

in regulations that will ... apply to a service that was a private land mobile service and that becomes a commercial mobile service..., shall make such other modifications as may be necessary and practical to assure that licensees in such services are subject to technical requirements that are comparable to the technical requirements that apply to licensees that are providers of substantially similar common carrier services.

Pursuant to this requirement, the Commission issued the <u>FNPRM</u> to address disparities between existing regulation of common carrier services and regulation of private radio services that will be regulated as CMRS. The Nextel proposal opposed in these Reply Comments was submitted in the Nextel Comments filed in response to the <u>FNPRM</u>.

5. It must first be emphasized that SMR services, even those that Nextel characterizes as ESMR that would be subject to CMRS

regulation, are not "substantially similar" to the cellular service that Nextel hopes to emulate. Unlike cellular systems, traditional systems) provide dispatch SMR systems (and Nextel's ESMR operations. In point of fact, in opposing a general CMRS spectrum aggregation limit, Nextel itself admitted to the extensive differences between cellular and SMR/ESMR services. 8 Nextel cannot have it both ways by, on the one hand, claiming that cellular and SMR/ESMR are "substantially similar" when its suits Nextel's monopolistic goal of grabbing as many SMR channels as possible, but, on the other hand, claiming that cellular and SMR/ESMR are not "substantially similar" when it suits Nextel's attempt to avoid imposition of a CMRS spectrum aggregation limit.

- 6. Even if found to be "substantially similar," Section 6002(d)(3)(B) of the Budget Act only requires that the Commission modify its rules to the extent "necessary and practical" to ensure that such services are subject to "comparable" technical requirements. Congress did not require that "substantially similar" services be subject to identical technical regulations or that the Commission modify its rules where such modification is not necessary to achieve regulatory symmetry or is otherwise impractical. In point of fact:
  - The original House version of the Budget Act would have required the Commission to "equalize" the regulatory

<sup>&</sup>lt;sup>7</sup>See, e.g., Nextel Comments at 4, 5.

<sup>&</sup>lt;sup>8</sup><u>Id.</u> at 28-35.

<sup>&</sup>lt;sup>9</sup>See FNPRM at ¶20-22.

treatment of "substantially similar" mobile services, 10 but this requirement was significantly modified in the final version of the Budget Act to allow the Commission more flexibility;

The Budget Act refers only to "technical requirements," not to all aspects of private radio regulation. Although the Commission has interpreted this statutory provision to require a review of all private radio rules, 11 a complete reallocation of existing SMR channels licensed to traditional SMR users as proposed in the Nextel Comments goes far beyond the plain meaning of "technical requirements" in the Budget Act.

Accordingly, even though Nextel is now attempting to achieve its dream of being a third cellular carrier, Nextel's frequency reallocation proposal specified in the Nextel Comments goes far beyond the regulatory revisions necessary to achieve regulatory symmetry as mandated by Section 6002(d)(3)(B) of the Budget Act.

7. In this regard, it must also be noted that the Congressional objective of regulatory parity for "substantially similar" services was not intended to obliterate all distinctions between the various types of radio services that will now be regulated as CMRS. Congress clearly recognized that some Commission regulations reflect objective differences in the technical configuration and operation of different CMRS services. 12 Moreover, a diversity of communications service options is vital if Congress and the Commission are to ensure that mobile communications consumers have access to a wide variety of services

<sup>&</sup>lt;sup>10</sup>See H.R. 2264, 103d Cong., 1st Sess., §5206(b)(3)(B), 139 Cong.Rec. H3089 (May 27, 1993).

<sup>&</sup>lt;sup>11</sup>FNPRM at n.36.

<sup>12</sup> See FNPRM at ¶21.

Accordingly, it is critical that the Commission maintain certain distinctions between various types of CMRS services so that consumers are not forced to obtain only one type of service that may be too expensive or too far-reaching for an individual consumer's requirements. The Commission must now reject Nextel's attempt to bulldoze all distinctions between CMRS services.

- 8. It must also be emphasized that even if the Commission believes that certain rule modifications are necessary to achieve regulatory symmetry between ESMR services and cellular services, Nextel's frequency reallocation proposal goes far beyond what is "necessary and practical" to achieve this goal. There is a wide variety of alternative measures that the Commission can adopt to achieve regulatory symmetry without the extensive disruption and damage that will be caused by Nextel's proposal. These alternatives include:
  - Maintaining the current regulations that have allowed Nextel to establish ESMR systems in major metropolitan areas across the country without the need for significant rule changes, waivers or frequency reallocations;<sup>13</sup>
  - Retain existing SMR channel assignment rules for traditional SMR systems, but also establish an alternative mechanism for licensees who seek to provide multi-channel wide-area service; 14
  - Introduce wide-area licensing in the 900 MHz SMR band which is not now extensively licensed to allow carriers to provide wide-area ESMR without the substantial

<sup>&</sup>lt;sup>13</sup>See Fleet Call, Inc., 6 FCC Rcd 1533, recon. denied, 6 FCC Rcd 6989 (1989).

<sup>&</sup>lt;sup>14</sup>See Notice Of Proposed Rulemaking, PR Docket No. 93-144, 8 FCC Rcd 3950 (1993).

disruption, dislocation and economic cost that would result from Nextel's frequency proposal; 15

- Avoid any modification of the existing SMR frequency allocation and allow entities that wish to establish wide-area ESMR systems to bid for and license broadband PCS services on channels to be auctioned in the near future; 16 and
- Accommodate ESMR operations on part of the 50 MHz of spectrum now being transferred from the federal government to private use.<sup>17</sup>

Each of these alternatives would allow the Commission to satisfy Nextel's hunger for additional spectrum for ESMR operations without the need to modify the existing SMR frequency allocation structure as proposed by Nextel to the substantial detriment of both the public and the remainder of the SMR industry.

### III. Mextel's Proposal Is Beyond The Scope Of The FNPRM

9. It must also be emphasized that Nextel's proposal to completely revise the existing SMR frequency allocation scheme and to require that a significant portion of the SMR industry disrupt their operations and relocate to other channels is outside the scope of the <a href="#FNPRM">FNPRM</a> and cannot be adopted. It is well-established that in a notice and comment rulemaking proceeding, an administrative agency must provide specific notice of the terms or

<sup>15</sup> See First Report And Order And Further Notice Of Proposed Rulemaking, PR Docket No. 89-553, 8 FCC Rcd 1469 (1993).

<sup>&</sup>lt;sup>16</sup>See, e.g., Second Report And Order, GN Docket No. 90-314, 8 FCC Rcd 7700 (1993); Memorandum Opinion And Order, GN Docket No. 90-314, FCC 94-144 (June 13, 1994).

<sup>&</sup>lt;sup>17</sup>See Notice Of Inquiry, ET Docket No. 94-32, FCC 94-97 (adopted April 20, 1994).

substance of the issues involved in the proposed rule changes. 18 In the FNPRM, the Commission indicated that pursuant to the requirements of Section 6002(d)(3)(B) of the Budget Act, the Commission was considering changes to the "technical operational rules" governing certain private radio services, including SMR. 19 At no point in the FNPRM, however, did the Commission give specific notice to existing licensees of 800 MHz frequencies allocated for SMR operations for almost twenty (20) years that such licensees could be forced to disrupt their existing operations and change to alternate frequencies. This proposal was set forth for the first time by Nextel in the Nextel Comments -not by the Commission in the FNPRM. Accordingly, both the public and existing SMR licensees were improperly deprived of adequate notice of a rule modification that will drastically harm existing As such, without further notice and opportunity for public comment, the Commission is legally prohibited from adopting the extensive frequency reallocation proposal set forth in the Nextel Comments. 20

<sup>185</sup> U.S.C. §553(b)(3); see, e.g., National Tour Brokers v. U.S., 591 F.2d 896 (D.C.Cir. 1978); Kollett v. Harris, 619 F.2d 134 (1st Cir. 1980); Home Box Office, Inc. v. FCC, 567 F.2d 9 (D.C.Cir. 1977).

<sup>&</sup>lt;sup>19</sup>See, e.g., FNPRM at ¶22. As specified at paragraph 6 hereof, Nextel's frequency reallocation proposal is directly contrary to the plain meaning of Section 6002(d)(3)(B) of the Budget Act that mandates review only of "technical requirements" relating to private radio services to be reclassified as CMRS.

<sup>&</sup>lt;sup>20</sup>See note 18, supra.

## IV. Mextel's Proposal Will Substantially Damage Existing SMR Licensees And Disrupt Existing Service

- Perhaps the most egregious aspect of Nextel's proposal is Nextel's attempt to camouflage the extensive damage that its proposal will cause to existing SMR users licensed in the 861-865 MHz frequency band (and corresponding mobile frequencies in the 816-821 MHz frequency band) by characterizing the proposal as a simple "retuning"21 and by indicating that, "the retuning would be completed at the expense of the ESMR operator."22 This proposed frequency reallocation would force an existing SMR licensee in this frequency band to completely alter its system. Not only would repeater stations have to be retuned, but also all existing customers would have to return to the licensee to have their mobile Additional software and hardware and control units altered. changes would be required, as well as modification of Commission authorizations to reflect the frequency change. It is probable that some equipment could not be modified to accommodate the frequency change, but would have to be replaced altogether. All of these changes would be expensive not only in terms of an additional outlay of cash for revised or modified equipment and software, but also with respect to the number of man hours and additional resources that would have to be expended to accomplish this modification.
  - 11. This expense is exacerbated by the extraordinary

<sup>&</sup>lt;sup>21</sup>E.g., FNPRM at 4, 11.

<sup>&</sup>lt;sup>22</sup>E.g. id. at 12.

disruption in service that would be caused both to existing SMR licensees (in the form of system downtime during the changes and possible outages or service interruptions resulting therefrom) and to the subscribers of existing licensees' systems, who would be required to make at least one and perhaps multiple trips to the licensee to have the subscriber's mobile unit(s) modified. This disruption directly damages licensees and their subscribers and also places the subject licensees at a substantial economic and competitive disadvantage to ESMR licensees and other SMR licensees in the 856-860 MHz frequency range who would not be forced to modify their systems.

12. In addition, by taking 200 channels away from existing SMR operations as proposed by Nextel, the Commission would be closing the door on any potential for expansion of non-wide-area SMR systems, either geographically or by adding channels. In a frenzy of licensing initiated by Nextel and one or two other ESMR licensees, Nextel has already attempted to license for itself all available SMR frequencies in the markets in which Nextel is interested. The Commission has abetted Nextel's regulatory manipulations by continually modifying its frequency separation and short-spacing requirements<sup>23</sup> and allowing Nextel and others an expanded construction period to install wide-area systems.<sup>24</sup> As a result, Nextel has now tied up extremely valuable frequency that

<sup>&</sup>lt;sup>23</sup>See, e.g., Report And Order, PR Docket No. 93-60, 8 FCC Rcd 7293 (1993).

<sup>24</sup>See, e.g., Report And Order, PR Docket No. 92-210, 8 FCCRcd 3975 (1992).

continues to lie fallow while Nextel contemplates whether it will use such frequencies. This wide-area licensing has prevented traditional SMR operators from expanding or modifying existing systems and licensing new systems. The problems associated with licensing by Nextel and other wide-area SMR licensees has been compounded by a wave of applications by speculators attempting to "cash in" on a perceived "gold rush" in the SMR industry. two factors have combined to result in a dramatic decrease in the availability of 800 MHz spectrum. Ιf Nextel's frequency reallocation proposal were adopted, relocated SMR licensees would be further deprived of remaining spectrum in the 861-865 MHz frequency band that might be used for expansion of existing This further reduction in expansion capability would directly and severely harm existing non-wide-area SMR licensees.

13. It must also be emphasized that even though Nextel has proposed that the relocation of existing SMR licensees would be completed at the expense of the ESMR operator, Nextel failed to provide: (1) any specification or quantification of those costs; or (2) a clear guaranty by Nextel or other ESMR entities confirming that they would bear these costs. Accordingly, Nextel's proposal fails to make clear that dislocated SMR licensees would receive compensation not only for the physical changes necessary to change frequency, but also for the extensive current and future damages that would result from Nextel's proposal. Nextel itself did not even clearly commit to bear these burdens and Nextel provided no evidence that other ESMR entities would meet these costs.

- 14. The Commission must also keep in mind that even though Nextel has recently garnered the lion's share of publicity and attention on Wall Street, Nextel is not representative of the entire SMR industry. Rather, it is the smaller, independent SMR entrepreneurs like the Joint Commenters that have built the SMR industry into the successful mobile communications service alternative that it is today. The SMR service offered by these carriers provides a vital alternative for communications users to obtain cheap, efficient and extremely cost-effective mobile communications on a local level. 25 Moreover, traditional SMR's are best suited technically and most economically able to offer service on a local basis, where the majority of service is still required Some SMR operators, like the Joint Commenters, by consumers. intend to structure their relationship to permit the establishment of wide-area networks to allow for wide-area SMR service without the need for extensive Commission frequency reallocations and without having to charge the substantial premiums that Nextel and other ESMR providers must impose to support their extravagant systems.
- 15. In any event, despite an infatuation with Nextel, the Commission cannot lose sight of the vital part that traditional SMR systems play in the communications marketplace. The Commission

<sup>&</sup>lt;sup>25</sup>This is as opposed to cellular and ESMR, whose monthly costs can be five (5) to six (6) times as much as traditional SMR service. It is estimated that the cost per month per unit for traditional SMR systems is approximately \$15.00, while the monthly per unit cost for ESMR service will probably reach approximately \$90.00.

must take steps to foster a wide variety of service offerings for the public and the Commission must recognize that traditional SMR licensees offer one type of service that cannot be destroyed by Nextel in its attempt to grab spectrum to further its own monopolistic goals. The Commission must reject the frequency reallocation proposal set forth in the Nextel Comments and reaffirm the importance of traditional SMR systems as an integral part of the information superhighway of tomorrow.

other, less harmful alternatives that the Commission can adopt to foster development of wide-area SMR systems. These options, including proposals already before the Commission and additional proposals specified by Joint Commenters herein, would all provide mechanisms, and in some cases new spectrum, for ESMR operations like those being implemented by Nextel, without the dramatic damage engendered by Nextel's proposal. Only by rejecting Nextel's proposal and adopting one of these alternatives can the Commission satisfy its public interest obligations.

WHEREFORE, for all of the foregoing reasons Joint Commenters hereby vigorously oppose the proposal set forth in the Nextel Comments in the above-captioned rulemaking proceeding to reallocate SMR channels in the 861-865 MHz and 816-821 MHz frequency ranges for ESMR operations.

Respectfully submitted,

AMERICAN RADIO
PROFESSIONAL COMMUNICATIONS
MOBILE PROMES OF CORDELE/NET
LINK COMMUNICATIONS
RANGE TELECOMMUNICATIONS
LEISCHNER ELECTRIC
SOUTHERN MINNESOTA
COMMUNICATIONS
B & M COMMUNICATIONS
LE FLORE COMMUNICATIONS
ADVANCED COMMUNICATIONS
SERVICES, INC.
MOBILE PHONE OF TEXAS
COMMUNICATIONS WORKS

Richard S. Bécker

James S. Finerfrock

Paul G. Madison

Their Attorneys

Becker & Madison, Chartered 1915 Eye Street, Northwest Eighth Floor Washington, DC 20006 (202) 833-4422

Date: July 11, 1994